

## Message Text

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PAGE 01      TRIPOL 01558 151856Z  
ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 AID-05 CIAE-00 DODE-00 PM-04 H-02  
INR-07 L-03 NSAE-00 NSC-05 PA-02 PRS-01 SP-02 SS-15  
USIA-15 COME-00 OMB-01 TRSE-00 CEA-01 CIEP-02 EUR-12  
/095 W

----- 014440 /53

R 150853Z DEC 76  
FM AMEMBASSY TRIPOLI  
TO SECSTATE WASHDC 3887  
INFO AMEMBASSY ROME

UNCLAS TRIPOLI 1558

E.O. 11652: N/A  
TAGS: EFIN, LY  
SUBJ: LIBYAN INVESTMENT ABROAD

1. LOCAL MEDIA GIVING EXTENSIVE CONVERAGE TO LIBYAN ARAB  
FOREIGN BANK INVESTMENT IN FIAT.

2. ABDULLAH SAUDI, DIRECTOR GENERAL AND CHAIRMAN OF THE  
BANK, STATED IN INTERVIEW WITH THE LOCAL PAPER AL FEJR AL  
JEDID THAT THIS WAS NOT THE FIRST TIME THE BANK HAD  
ENGAGED IN FOREIGN INVESTMENT. BANK HAD FINANCED  
DIFFERENT PROJECTS IN SEVERAL COUNTRIES AND ENTERED INTO  
A BANKING JOINT VENTURE WITHIN SEVERAL COUNTRIES, AS WELL  
AS OPERATING BANKING SERVICES IN EUROPE AND THE AMERICAS.  
HE ADDED THAT LIBYA'S PARTICIPATION IN THE FIAT GROUP  
HAD COME AT THE CONCLUSION OF EIGHTEEN MONTHS' NEGOTIATIONS  
AND DISCUSSIONS. HE STATED THAT THE FOLLOWING POINTS WERE  
INCLUDED IN THE AGREEMENT WITH FIAT:

FIRST, THE PARTICIPATION IN FIAT CAPITAL WAS  
EQUAL TO 10 PERCENT, AN AMOUNT OF 62 MILLION LIBYAN DINARS  
(180 BILLION ITALIAN LIRA) AND WILL COVER 30 MILLION  
SHARES.

SECON PART OF THE AGREEMENT PROVIDES LOAN OF  
31 MILLION LIBYAN DINARS (90 BILLION ITALIAN LIRA),  
REPAYABLE WITHIN FIVE YEARS, WITH INTEREST AT 9 1/2  
PERCENT PER YEAR. IF THE LIBYAN ARAB FOREIGN BANK WISHES,  
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LOAN CAN BECOME A FURTHER PARTICIPATION IN FIAT

SHARES EQUAL TO 5 PERCENT OF ITS CAPITAL AND 15 MILLION SHARES.

THIRD PART OF THE AGREEMENT IS LOAN OF 31 MILLION  
LIBYAN DINARS (90 BILLION ITALIAN LIRA) PAYABLE IN U.S.  
DOLLARS, TO BE REPAID WITHIN EIGHT YEARS.

ACCORDING TO AGREEMENT LIBYAN ARAB FOREIGN BANK  
WILL HAVE TWO SEATS ON BOARD OF DIRECTORS AND ONE  
SEAT ON EXECUTIVE COMMITTEE.

3. PRESS REPORTS LIBYAN MINISTER OF THE TREASURY, MR.  
MOHAMMAD ZARROUQ RAJAB, AS STATING THAT PARTICIPATION  
IN FIAT GROUP OF COMPANIES LIBYA WAS NOT ONLY SOUND  
FINANCIAL INVESTMENT MONEYWISE, BUT PURCHASE OF  
TECHNOLOGY. AGREEMENT HAD COME AFTER A LONG PERIOD  
OF NEGOTIATION AND REQUIRED MUCH EFFORT BECAUSE OF  
OPPOSITION OF MONOPOLIES IN INTERNATIONAL MARKETS,  
ACCORDING TO MINISTER.

4. ACCORDING TO LOCAL MEDIA INVESTMENT HAS BEEN  
WIDELY WELCOMED BY LIBYAN PRIVATE BUSINESSMEN,  
FINANCIAL AND ECONOMIC OFFICIALS IN THE GOVERNMENT,  
AS WELL AS BY ORDINARY LIBYANS. MEDIA ADDED THAT  
FIAT CHAIRMAN AGNELLI ACCOMPANIED BY ITALIAN  
MINISTER OF COMMERCE WILL VISIT TRIPOLI DECEMBER  
18-20, 1976.  
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## Message Attributes

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**Capture Date:** 01 JAN 1994  
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**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN INVESTMENT, NEWS MEDIA COMMENTS  
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**Status:** NATIVE  
**Subject:** LIBYAN INVESTMENT ABROAD  
**TAGS:** EFIN, LY  
**To:** STATE  
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